WGRF 2025 ANNUAL REPORT

wgrf.ca

Contents

4 Message from the Chair

7 Message from the Executive Director

8 Research Priorities

10 Board of Directors

11 Member Organizations

12 Staff

14 Audited Financial Statements

Message from the **Chair**

As I reflect on the past year at Western Grains Research Foundation (WGRF), one word comes to mind: collaboration. In an increasingly complex agricultural research landscape, WGRF occupies a unique space. The ability to work alongside our member organizations, universities, and government partners is paramount. WGRF is grateful for the opportunity. Our success in 2025 has been defined by these relationships, as we work to ensure that funding invested in research translates into tangible benefits for farmers. This "farmer-first" mentality is key to who WGRF is and how WGRF makes decisions.

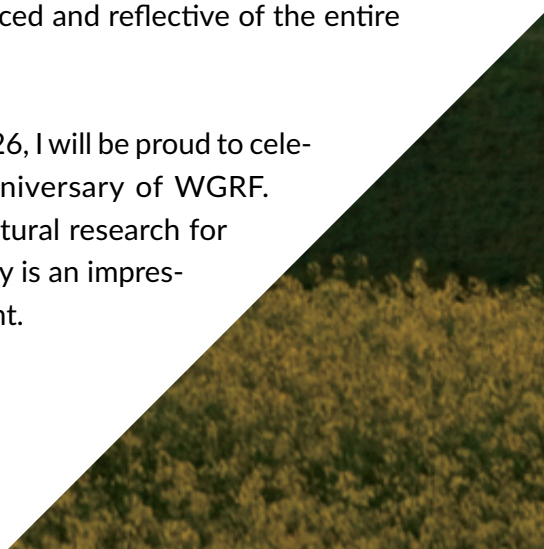
A primary example of this collaborative spirit is WGRF's ongoing commitment to the Accelerating Capacity effort that WGRF initiated in 2019. In 2025, WGRF committed $7 million toward the Harrington Plant Growth Facility and Soil Science Field Facility at the University of Saskatchewan College of Agriculture and Bioresources. This represents a vital investment in the future of variety development and agronomy research. This facility will serve as a hub for innovation, where the brightest minds in the field will tackle the challenges of tomorrow.

Also, I am pleased to announce that WGRF has signed an agreement with the University of Manitoba to support the construction of the Prairie Crops and Soils Research Facility. These strategic investments in regional universities will ensure that Western Canada remains a global leader in agricultural research, providing Canadian scientists with the tools they need to succeed.

The strength of WGRF lies in our governance. Our Board of Directors provides a level of broad representation that is valuable for agricultural research. Our Directors are active farmers from across Western Canada, spanning from the Peace River region in British Columbia to the Red River Valley in Manitoba.

This geographic diversity is matched by the variety of crops grown—including cereals, pulses, and oilseeds. When WGRF Directors sit around the boardroom table, there is a wealth of experience from farmers who have faced diverse climates, soil types, and pest pressures. This breadth of perspective ensures that WGRF's research priorities and research funding decisions are balanced and reflective of the entire grain sector.

Looking toward 2026, I will be proud to celebrate the 45th anniversary of WGRF. Investing in agricultural research for nearly half a century is an impressive accomplishment.



But more importantly, this anniversary reinforces WGRF's commitment to what's next. By staying true to our roots, focusing on research, collaboration and farmer-led governance, we're building a resilient future.

Thank you to everyone who made 2025 another successful year for WGRF and the farmers and researchers it supports. Have a great growing season!

LAURA REITER
WGRF Chair

Our vision

Profitable and sustainable western Canadian grain farmers

Our mission

Producers directing investment in crop research to benefit western Canadian grain farmers

Message from the **Executive Director**

Western Grains Research Foundation (WGRF) remains steadfast in its mission to fund research that is intended to have farmer impact and to help grain farmers across Western Canada be profitable and sustainable.

WGRF funded more than $13.6 million for research and research capacity in 2025. This investment cuts across various crops and scientific disciplines to address the diverse needs of grain farmers. Specifically, WGRF directed more than $9.5 million to research projects and $4.1 million to enhancing research capacity. These figures represent the organization's commitment to support grain farmers through agronomic and varietal development research.

The agriculture and scientific research landscape is rapidly changing, as technology is adopted by farmers and researchers. These new technologies are helping to develop new information for researchers to create efficiencies for their research and provide new tools for assisting with farmer production decisions. WGRF, along with several other organizations, continues to fund projects that include the Prairie Pest Monitoring Network, Prairie Weed Monitoring Network, and the Prairie Crop Disease Monitoring Network to provide farmers and agronomists with information they can use on their farms during the growing season.

Our commitment to the future is also reflected in our ongoing support for the next generation of scientists, evidenced by $330,000 in scholarship funding in 2025 and a commitment to maintain this level of support through 2029.

I want to thank the staff and Directors for their contribution to WGRF's success in 2025. Looking ahead to 2026, there are many opportunities for WGRF to consider as the research landscape evolves. We look forward to continuing our work to fund research for the benefit of western Canadian farmers.

WAYNE THOMPSON
WGRF Executive Director

WGRF Research priorities

Priority areas for single crop and whole farm integrated multi-crop research

16 crops:

- Barley
- Canary seed
- Canola
- Chickpea
- Corn
- Dry bean
- Faba bean
- Flax
- Lentil
- Mustard
- Oat
- Pea
- Soybean
- Sunflower
- Wheat
- Winter cereals

Variety development:

Including genetics, breeding methods, pre-breeding, breeding, pest resistance development, breeding for crop quality and variety trialing.

Production:

Including cropping systems, crop nutrition, pest (insect, disease, weed) management, production management, soil quality, water use efficiency, fertilizer use efficiency, adaption to and mitigation of climate change, crop quality, storage, storage pests and economic analysis.

2025 Board of Directors

Laura Reiter
Radisson, SK (Chair)

Dave Bishop
Barons, AB (Vice-Chair)

Maurice Berry
Carievale, SK

Terry Boehm
Allan, SK

Keith Degenhardt
Hughenden, AB

Shaun Dyrland
Kyle, SK

Jack Froese
Winkler, MB

Wade Hainstock
Moose Jaw, SK

Alan Hampton
Rowley, AB

Adam Littman
Saltcoats, SK

Doug Martin
East Selkirk, MB

Malcolm Odermatt
Fort St. John, BC

Kenton Possberg
Humboldt, SK

Chris Procyk
Fillmore, SK

Member Organizations

The WGRF Bylaws allow three classes of Members: A, B and C. Class A is for producer organizations while Classes B and C are for government and industry organizations, respectively.

Class A Members

- Agricultural Producers Association of Saskatchewan
- Alberta Federation of Agriculture
- Alberta Grains
- BC Grain Producers Association
- Canadian Canola Growers Association
- Canadian Seed Growers' Association
- Keystone Agricultural Producers
- Manitoba Crop Alliance
- National Farmers Union
- Prairie Oat Growers Association
- Saskatchewan Barley Development Commission
- Saskatchewan Wheat Development Commission
- Western Pulse Growers
- Wheat Growers Association

Class B Members

- Agriculture and Agri-Food Canada

WGRF Staff

Wayne Thompson
Executive Director

Clarisse Dayego
Accounting Clerk

Valar Gurusamy, Ph.D., PAg
Research Program Manager

Joelle Harris, B.S.A., PAg
Research Program Manager

Glenda Hetterly, CPA, CA
Finance Manager

Lisa Jategaonkar, M.Sc., PAg
Research Program Manager

Kade Kettenbach, B.S.A., AAg
Research Program Manager

Candice Lajeunesse
Program Administrator

Bimpe Oyeneye, M.Sc., PAg
Research Program Manager

2025 Audited **Financial Statements**

Lingard + Dreger
CHARTERED PROFESSIONAL ACCOUNTANTS

880 Broadway Ave #200
Saskatoon, SK S7N 3A7

T 306-244-0808
W lingarddreger.ca

Max Lingard, MPAcc., CPA, CA
max.l@lingarddreger.ca

Brenden Dreger, CPA
brenden.d@lingarddreger.ca

Jason Vander Ende, CPA
jason.v@lingarddreger.ca

Independent Auditors' Report

To the Directors of
Western Grains Research Foundation

Qualified Opinion

We have audited the financial statements of Western Grains Research Foundation (the Foundation), which comprise the statement of financial position For the year ended December 31, 2025, and the statements of operations and changes in fund balances, and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, except for the possible effects of the matter described in the *Basis for Qualified Opinion* section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of the Foundation For the year ended December 31, 2025, and the results of its operations and cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for Qualified Opinion

The Foundation derives part of its earnings from payments from royalties, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, our verification of revenue from these sources was limited to the amounts recorded in the records of the Foundation and we were not able to determine whether any adjustments might be necessary to payments received from royalties, excess of revenue over expenditures, and cash flows from operations for the years ended December 31, 2025, and December 31, 2024, current assets as of December 31, 2025, and December 31, 2024, and fund balances as at January 1 and December 31, for both the 2025 and 2024 years.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Foundation in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian accounting standards for not-for-profit organizations, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Foundation's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Foundation or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Foundation's financial reporting process.

Auditors' Responsibilities for the Audit of Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but it is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Foundation 's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Foundation 's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Foundation to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Chartered Professional Accountants

Saskatoon, Saskatchewan
March 10, 2026

STATEMENT OF

Financial Position

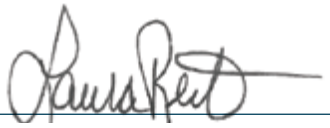
As at December 31, 2025

	2025	2024
CURRENT ASSETS		
Cash and cash equivalents *(Note 3)*	16,479,281	33,379,666
Receivables *(Note 6)*	4,770,611	4,544,415
Prepaid expenses	37,778	79,530
Investments, short-term *(Note 7)*	22,525,000	12,049,719
	$43,812,670	**$50,053,330**
LONG-TERM ASSETS		
Investments, long-term *(Notes 8, 9)*	201,589,941	183,734,787
	$245,402,611	**$233,788,117**
CURRENT LIABILITIES		
Accounts payable and accrued liabilities *(Note 10)*	**$181,859**	**$1,073,834**
FUND BALANCES *(Notes 4, 12, 14)*		
Capital fund	9,066,972	9,066,972
Research Fund *(Schedule 1)*	192,229,650	182,329,276
Wheat Fund *(Schedule 2)*	41,511,968	38,640,357
Barley Fund *(Schedule 3)*	2,412,162	2,677,678
	$245,220,752	**$232,714,283**
	$245,402,611	**$233,788,117**

CONTINGENT LIABILITY *(Note 18)*

See accompanying notes

APPROVED BY THE BOARD



LAURA REITER
Director

DAVE BISHOP
Director

STATEMENT OF

Operations & Changes in Fund Balances

For the year ended December 31, 2025

	2025	2024
REVENUES		
Royalties *(Note 11)*	2,675,392	2,791,680
Railway maximum revenue entitlement excess *(Note 2)*	2,793,262	1,915,287
Other income *(Note 13)*	640,717	795,405
	$6,109,371	**$5,502,372**
Investment income		
Investment income	5,885,335	5,915,885
Gain on sale of investments	8,343,982	9,281,363
Unrealized gain on investments	9,403,551	24,835,607
Foreign exchange (loss) gain	(293,875)	416,722
	23,338,993	**40,449,577**
	$29,448,364	**$45,951,949**
EXPENDITURES		
Research and research capacity funding		
Research	8,821,967	9,942,730
Royalty research *(Note 12)*	724,397	-
Research capacity	4,074,650	2,152,008
	$13,621,014	**$12,094,738**
Investment expenses		
Investment management fees	723,232	653,915
Interest paid on investment purchases	176,508	36,058
	$899,740	**$689,973**
Operating & program expenses *(Schedule 4)*	2,421,141	2,287,646
	$16,941,895	**$15,072,357**
Excess of revenue over expenditures	12,506,469	30,879,592
Fund balances, beginning of year	232,714,283	201,834,691
FUND BALANCES, END OF YEAR	**$245,220,752**	**$232,714,283**

See accompanying notes

STATEMENT OF

Cash Flows

For the year ended December 31, 2025

CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES	2025	2024
Excess of revenue over expenditures	12,506,469	30,879,592
Items not affecting cash		
Unrealized gain on investments	(9,403,551)	(24,835,607)
Gain on sale of investments	(8,343,982)	(9,281,363)
Amortization of net discounts on bonds	(53,478)	(1,279)
Return of capital and income reinvestments	(200,114)	(164,703)
Changes in non-cash working capital	(1,076,419)	6,168,101
	($6,571,075)	**$2,764,741**
CASH FLOWS FROM (USED IN) INVESTING ACTIVITIES		
Purchases of investments	(37,745,961)	(23,680,516)
Sales and maturities of investments	27,416,651	41,014,240
	($10,329,310)	**$17,333,724**
(Decrease) increase in cash during the year	(16,900,385)	20,098,465
Cash position, beginning of year	33,379,666	13,281,201
Cash position, end of year	**$16,479,281**	**$33,379,666**
CASH AND CASH EQUIVALENTS IS COMPOSED OF		
Cash	2,049,930	8,305,205
Cash equivalents	14,429,351	25,074,461
	$16,479,281	**$33,379,666**

See accompanying notes

SCHEDULE 1

For the year ended December 31, 2025

Schedule of Research Fund Operations & Changes in Fund Balance

	2025	2024
REVENUES		
Railway maximum revenue entitlement excess *(Note 2)*	2,793,262	1,915,287
Other income *(Note 13)*	640,717	795,405
Investment income	4,824,607	4,810,946
Gain on sale of investments	8,078,052	8,402,769
Unrealized gain on investments	6,799,114	20,349,382
Foreign exchange (loss) gain	(276,226)	402,384
	$22,859,526	**$36,676,173**
EXPENDITURES		
Research funding		
Agronomy	2,714,688	2,509,111
Variety development	2,339,040	2,430,721
Integrated Crop Agronomy Cluster	866,988	1,096,967
Other	250,000	257,686
Agronomy capacity	4,074,650	2,052,008
	$10,245,366	**$8,346,493**
Investment management fees	587,714	538,877
Interest paid on investment purchases	174,696	31,928
Operating & program expenses *(Schedule 4)*	1,951,376	1,818,158
	$12,959,152	**$10,735,456**
Excess of revenue over expenditures	9,900,374	25,940,717
Research fund, beginning of year *(Note 4)*	182,329,276	156,388,559
RESEARCH FUND, END OF YEAR *(Notes 4, 14)*	**$192,229,650**	**$182,329,276**

See accompanying notes

SCHEDULE 2

For the year ended December 31, 2025

Schedule of Wheat Fund Operations & Changes in Fund Balance

	2025	2024
OPERATING ACCOUNT		
REVENUES		
Royalties *(Note 11)*	2,370,820	2,410,753
Investment income	993,012	10,177
Gain on sale of investments	156,151	-
Unrealized gain on investments	2,547,929	-
Foreign exchange loss	(15,223)	-
	$6,052,689	**$2,420,930**
EXPENDITURES		
Research funding		
Agronomy	166,274	293,233
Variety development	1,433,243	1,694,123
Canadian National Wheat Cluster	532,979	970,804
Royalty research funding *(Note 12)*	543,298	-
Agronomy capacity	-	100,000
	$2,675,794	**$3,058,160**
Investment management fees	127,574	-
Interest paid on investment purchases	1,812	-
Operating & program expenses *(Schedule 4)*	375,898	376,152
	$3,181,078	**$3,434,312**
Excess (deficiency) of revenue over expenditures	2,871,611	(1,013,382)
Transfer from wheat reserve account	37,285,491	430,618
Operating account, beginning of year *(Note 4)*	1,354,866	1,937,630
OPERATING ACCOUNT, END OF YEAR *(Notes 4, 12, 14)*	**$41,511,968**	**$1,354,866**

SCHEDULE 2 (CONTINUED) For the year ended December 31, 2025

	2025	2024
RESERVE ACCOUNT		
Investment income	-	1,026,387
Gain on sale of investments	-	581,003
Unrealized gain on investments	-	4,360,416
Foreign exchange gain	-	12,754
Investment management fees	-	(107,876)
Interest on investment purchases	-	(4,130)
Reserve excess for the year	**-**	**5,868,554**
Transfer to wheat operating account	(37,285,491)	(430,618)
Reserve account, beginning of year *(Note 4)*	37,285,491	31,847,555
RESERVE ACCOUNT, END OF YEAR	**-**	**$37,285,491**
WHEAT FUND, END OF YEAR *(Notes 4, 12, 14)*	**$41,511,968**	**$38,640,357**

See accompanying notes

SCHEDULE 3

For the year ended December 31, 2025

Schedule of Barley Fund Operations & Changes in Fund Balance

	2025	2024
OPERATING ACCOUNT		
REVENUES		
Royalties *(Note 11)*	304,572	380,927
Investment income	67,716	2,544
Gain on sale of investments	109,779	-
Unrealized gain on investments	56,508	-
Foreign exchange (loss)	(2,426)	-
	$536,149	**$383,471**
EXPENDITURES		
Research funding		
Agronomy	86,983	146,634
Variety development	177,584	208,782
Royalty research funding *(Note 12)*	181,099	-
National Barley Cluster	254,188	334,669
	$699,854	**$690,085**
Investment management fees	7,944	-
Operating & program expenses *(Schedule 4)*	93,867	93,336
	$801,665	**$783,421**
Deficiency of expenditures over revenues	(265,516)	(399,950)
Transfer from barley reserve account	2,449,188	325,176
Operating account, beginning of year *(Note 4)*	228,490	303,264
OPERATING ACCOUNT, END OF YEAR *(Notes 4, 12, 14)*	**$2,412,162**	**$228,490**
RESERVE ACCOUNT		
Investment income	-	65,831
Gain on sale of investments	-	297,591
Unrealized gain on investments	-	125,809

SCHEDULE 3 (CONTINUED) For the year ended December 31, 2025

	2025	2024
Foreign exchange gain	-	1,584
Investment management fees	-	(7,162)
Reserve excess for the year	**-**	**483,653**
Transfer to barley operating account	(2,449,188)	(325,176)
Reserve account, beginning of year *(Note 4)*	2,449,188	2,290,711
RESERVE ACCOUNT, END OF YEAR	**-**	**$2,449,188**
BARLEY FUND, END OF YEAR *(Notes 4, 12, 14)*	**$2,412,162**	**$2,677,678**

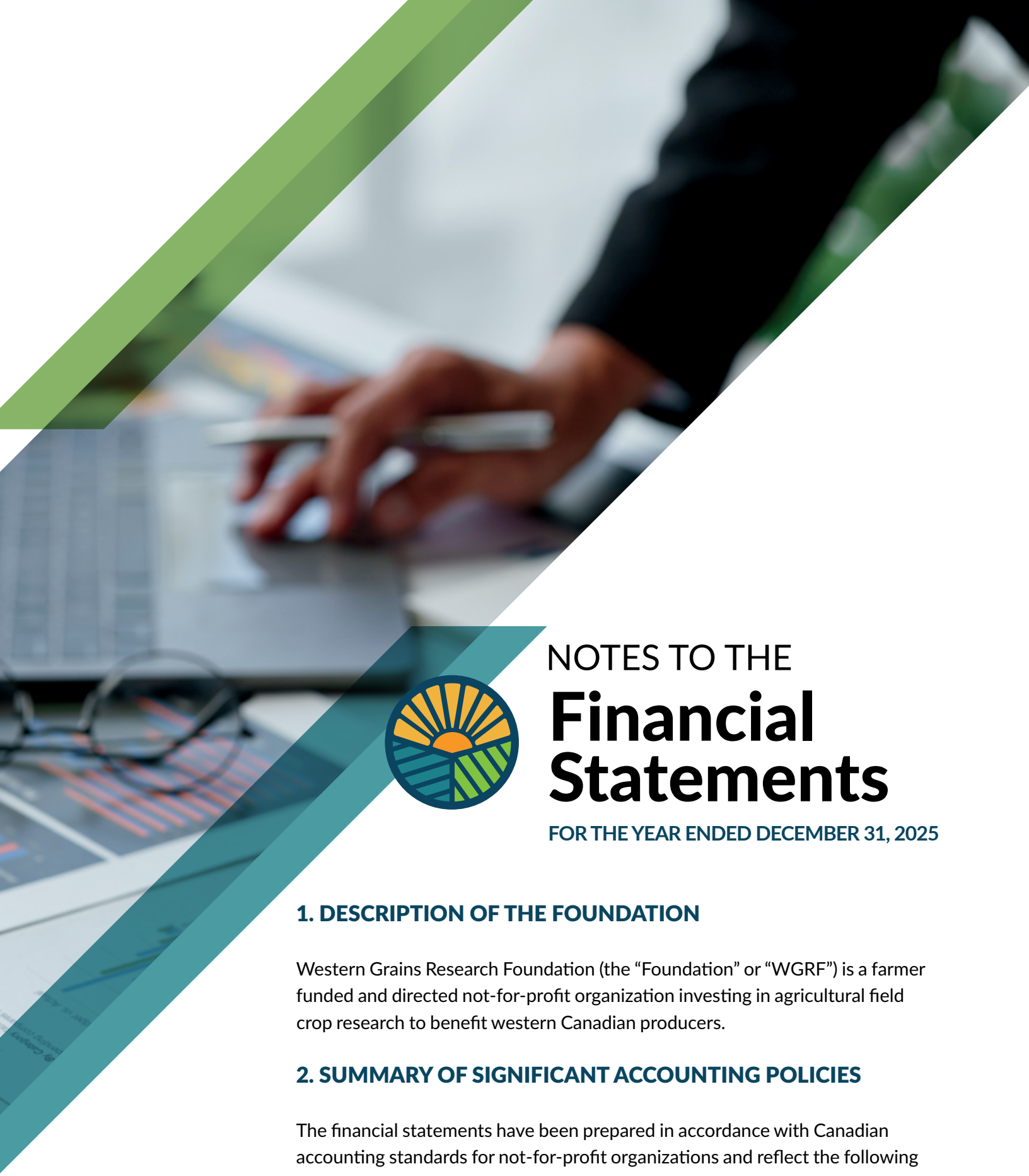
See accompanying notes

SCHEDULE 4 For the year ended December 31, 2025

Schedule of Operating & Program Expenditures

	RESEARCH FUND	WHEAT FUND	BARLEY FUND	2025	2024
EXPENDITURES *(Note 15)*					
Wages and benefits	930,702	248,188	62,046	1,240,936	1,184,973
Communications	225,441	31,406	7,838	264,685	304,546
Scholarships	330,000	-	-	330,000	330,000
Office *(Note 16)*	157,536	41,993	10,499	210,028	212,450
Professional fees	45,155	8,008	2,002	55,165	47,448
Consulting fees	115,730	7,672	1,918	125,320	29,753
Travel and other	68,781	17,432	4,357	90,570	90,160
Per diems	78,031	21,199	5,207	104,437	88,316
Operating & program expenditures for the year	**$1,951,376**	**$375,898**	**$93,867**	**$2,421,141**	**$2,287,646**

See accompanying notes



NOTES TO THE

Financial Statements

FOR THE YEAR ENDED DECEMBER 31, 2025

1. DESCRIPTION OF THE FOUNDATION

Western Grains Research Foundation (the “Foundation” or “WGRF”) is a farmer funded and directed not-for-profit organization investing in agricultural field crop research to benefit western Canadian producers.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations and reflect the following significant accounting policies:

Revenue recognition

a) Research Fund
Investment income, including any unrealized changes in fair value in equity securities and pooled funds, is recognized as income in the year earned.

In some years, WGRF has been awarded funds by the Canadian Transportation Agency ("CTA") as a result of Canadian Pacific Kansas City Limited ("CPKC") and Canadian National Railway Company ("CN") exceeding their Maximum Revenue Entitlement ("MRE") for movement of grain in Western Canada. This revenue is recognized and recorded as income in the Research Fund when the amount is known and collection is reasonably assured.

b) Wheat and Barley Funds
Investment income, including any unrealized changes in fair value in equity securities and pooled funds, is recognized as income of the respective operating account in the year earned beginning January 1, 2025. In prior years, investment income was included in the respective reserve fund account.

Royalties earned by the Wheat and Barley Funds are recognized in the operating accounts of the respective funds when the amount is known and collection is reasonably assured; some amounts cannot be determined by the Foundation prior to receipt.

Recognition of contributions
WGRF follows the restricted fund method whereby revenues of a specific fund are recognized in the fund corresponding to the purpose for which they were contributed when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Investment income
Investment income includes interest, dividends and income distributions from pooled funds earned in the year and realized gains and losses from dispositions of investment assets in the year. Unrealized changes in fair value from year to year are recognized in earnings.

Fund operations
Revenue earned, net of operating expenditures, is allocated to designated funds. Research funding paid in the year is charged against the respective fund.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Royalties
The Foundation's share of royalties derived from wheat or barley variety development are recorded as royalty revenue in the respective schedule of fund operations.

Foreign currency translation
The Foundation follows the temporal method of accounting for the translation of foreign currency amounts into Canadian dollars. Under this method, monetary assets and liabilities denominated in foreign currencies are translated into Canadian dollars at the exchange rate in effect at the balance sheet date. Non-monetary assets are translated at the historical rate of exchange. Revenue and expenses are translated at the rate of exchange prevailing on the transaction date. Gains and losses on translation are reflected in income.

Financial instruments
The Foundation initially measures its financial assets and financial liabilities at fair value. It subsequently measures investments in equity securities and pooled funds at fair value. Other financial assets and financial liabilities including cash and cash equivalents, receivables, investments in debt instruments, and accounts payable and accrued liabilities are subsequently measured at amortized cost.

Use of estimates
The preparation of financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. The inherent uncertainty involved in making such estimates and assumptions may impact the actual results reported in future periods. Significant estimates include, but are not limited to, accruals for certain revenues.

3. CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of balances with banks, in investment accounts, and short-term investments with original maturities of three months or less.

4. FUNDS

Capital Fund
The Foundation was funded by the Canadian Ministry of Agriculture on May 2, 1983 by a $9,066,972 contribution to the Capital Fund. The funding contribution represented an amount equivalent to the balance remaining in the Prairie Farm Emergency Fund, which was derived entirely by deductions from prairie farmer grain sales.

Research Fund
Annual investment revenue earned from the initial Capital Fund contribution and funds awarded by the CTA to the Foundation as a result of CN and CPKC exceeding their MRE for the movement of grain in Western Canada, net of operating, program and research funding expenditures, is allocated to the Research Fund. The Research Fund is not externally restricted and can be spent at the discretion of the Foundation's Board of Directors, subject to its own internal Research Fund Policy. In 2019 the Board approved a Research Fund Policy that provides for maintaining a minimum fund value of $100 million, indexed annually for inflation beginning in 2020. At December 31, 2025 the indexed minimum fund value is $121,078,101 (2024 - $118,286,539).

Wheat Fund and Barley Fund
Historically, the Wheat and Barley Funds were primarily funded by producer check-off and royalties earned on new seed varieties developed with WGRF funds. WGRF has not been the recipient of legislated check-off income since July 31, 2017.

5. INCOME TAX STATUS

The Foundation is a registered charity, designated as a public foundation under the Income Tax Act of Canada. As such, it is not subject to income taxes.

6. RECEIVABLES

	2025	2024
Receivables include the following:		
CPKC excess MRE receivable	2,793,262	1,915,287
Integrated Crop Agronomy Cluster (“ICAC”) receivable	112,936	35,412
Accrued interest receivable	1,440,571	718,800
Royalties receivable	369,468	1,786,092
Goods and Services Tax receivable	15,770	31,125
Other receivables	38,604	57,699
	$4,770,611	**$4,544,415**

7. INVESTMENTS - SHORT-TERM

Short-term investments are investments that mature in one year or less.

Investment Type	Effective Interest Rates	2025 Amortized Cost	2024 Amortized Cost
Research Fund			
Guaranteed investment certificates	1.65% - 5.27%	16,875,000	6,350,000
Corporate extendible notes	1.67% - 2.80%	3,000,000	-
Government bonds		-	2,999,719
		$19,875,000	**$9,349,719**
Wheat Fund			
Guaranteed investment certificates	1.75% - 4.40%	1,800,000	2,500,000
Corporate extendible notes	1.67%	500,000	-
		$2,300,000	**$2,500,000**
Barley Fund			
Guaranteed investment certificates	3.14% - 5.23%	350,000	200,000
Total, All Funds		**$22,525,000**	**$12,049,719**

8. INVESTMENTS - LONG-TERM

Long-term investments are those that mature in more than one year or that are held for purposes other than trading. Guaranteed investment certificates, corporate extendible notes, and government and corporate bonds are recorded at amortized cost. Equity securities and pooled funds are recorded at fair value. Guaranteed investment certificates, corporate extendible notes, and government and corporate bonds mature between 2027 and 2032.

Investment Type	Effective Interest Rates	2025 Amortized Cost or Fair Value	2024 Amortized Cost or Fair Value
Research Fund			
Guaranteed investment certificates	3.20% - 4.95%	20,575,000	14,100,000
Corporate extendible notes	1.45% - 3.75%	25,000,000	23,000,000
Government and corporate bonds	3.47% - 5.59%	6,176,060	4,588,706
Canadian fixed income pooled funds		2,314,437	1,803,841
Canadian equities		31,280,660	29,971,635
Canadian equities pooled funds		4,351,982	1,646,884
Canadian real estate pooled funds		1,635,332	2,059,924
Foreign equities		64,260,403	63,588,929
Foreign equities pooled funds		7,598,623	9,548,209
Foreign equities real estate pooled funds		67,280	93,575
		$163,259,777	**$150,401,703**
Wheat Fund			
Guaranteed investment certificates	3.10% - 5.05%	6,050,000	5,450,000
Corporate extendible notes	1.45% - 3.75%	6,575,000	5,175,000
Government and corporate bonds	3.47% - 5.59%	857,830	574,543
Canadian fixed income pooled funds		1,014,734	696,924
Canadian equities		6,514,693	5,644,687
Canadian equities pooled funds		817,444	247,820
Canadian real estate pooled funds		322,539	370,838

8. INVESTMENTS - LONG-TERM *(continued)*

Investment Type	Effective Interest Rates	2025 Amortized Cost or Fair Value	2024 Amortized Cost or Fair Value
Wheat Fund (continued)			
Foreign equities		13,116,551	11,925,254
Foreign equities pooled funds		1,356,566	1,600,319
Foreign equities real estate pooled funds		18,922	24,411
		$36,644,279	**$31,709,796**
Barley Fund			
Guaranteed investment certificates	3.38% - 5.08%	200,000	150,000
Canadian fixed income pooled funds		163,564	123,509
Canadian equities		411,958	405,681
Canadian equities pooled funds		45,049	20,398
Canadian real estate pooled funds		23,634	30,949
Foreign equities		770,741	801,630
Foreign equities pooled funds		69,888	89,765
Foreign real estate pooled funds		1,051	1,356
		$1,685,885	**$1,623,288**
Total, All Funds		**$201,589,941**	**$183,734,787**

9. ACCUMULATED UNREALIZED GAINS ON INVESTMENTS

At December 31, 2025 there are unrealized gains on investments in equity securities and pooled funds of $84,120,771 (2024 - $74,717,220).

10. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2025	2024
Accounts payable and accrued liabilities include the following:		
Research and research capacity payables	96,408	989,943
Payable to Receiver General of Canada	2,873	1,290
Other trade payables and accrued liabilities	49,587	53,389
Vacation and other payables to employees	32,991	29,212
	$181,859	**$1,073,834**

11. ROYALTY INCOME

	2025	2024
Royalty income includes the following:		
Wheat Fund		
Agriculture & Agri-Food Canada	2,341,112	2,388,075
University of Saskatchewan	22,958	19,895
University of Alberta	6,750	2,783
	$2,370,820	**$2,410,753**
Barley Fund		
Agriculture & Agri-Food Canada	231,914	285,148
University of Saskatchewan	72,658	95,779
	$304,572	**$380,927**
Total, All Funds		
Agriculture & Agri-Food Canada	2,573,026	2,673,223
University of Saskatchewan	95,616	115,674
University of Alberta	6,750	2,783
	$2,675,392	**$2,791,680**

12. INTERNALLY RESTRICTED ROYALTIES

Upon approval of the Board of Directors certain accumulated royalty income may be subsequently reinvested with research organizations for the funding of specific royalty projects and recorded as royalty expenditures in the respective schedule of operations for wheat or barley. At December 31, 2025 there is $1,536,882 (2024 - $2,057,221) of internally restricted royalties in the Wheat Fund and $1,074,875 (2024 - $1,183,316) in the Barley Fund.

13. OTHER INCOME

Research Fund	2025	2024
Industry partner contributions to ICAC research	389,595	511,678
Agriculture & Agri-Food Canada contribution to ICAC research	115,263	169,723
Agriculture & Agri-Food Canada contribution to ICAC program	135,859	114,004
	$640,717	**$795,405**

14. SCHOLARSHIP, RESEARCH AND RESEARCH CAPACITY COMMITMENTS

The Foundation has approved and is committed to the following contributions to various universities for funding scholarships from the Research Fund over the next four years as follows:

2026	330,000
2027	330,000
2028	330,000
2029	330,000
	$1,320,000

14. SCHOLARSHIP, RESEARCH AND RESEARCH CAPACITY COMMITMENTS *(continued)*

The Foundation has approved and is committed to the following research and research capacity funding over the next five years as follows:

	RESEARCH FUND	WHEAT FUND	BARLEY FUND	TOTAL
2026	12,826,275	2,614,381	828,282	16,268,938
2027	8,084,943	1,120,551	341,666	9,547,160
2028	3,026,682	345,281	42,061	3,414,024
2029	1,152,910	118,883	14,021	1,285,814
2030	274,861	14,634	-	289,495
Thereafter	4,240	-	-	4,240
	$25,369,911	**$4,213,730**	**$1,226,030**	**$30,809,671**

The Foundation has approved the payment of all Wheat Fund and Barley Fund commitments from the Research Fund after December 31, 2025.

15. EXPENSE ALLOCATION

The Foundation allocates operating expenses between the Research Fund, the Wheat Fund and the Barley Fund using a percentage set annually by the Board of Directors. Certain expenditures, such as those related to scholarships, the Integrated Crop Agronomy Cluster, and certain other knowledge and technology transfer activities are allocated solely to the Research Fund.

	RESEARCH FUND	WHEAT FUND	BARLEY FUND	TOTAL
2024	75%	20%	5%	100%
2025	75%	20%	5%	100%

16. OPERATING LEASES

The Foundation leases office space and office equipment, the leases for which expire on or before March 31, 2029. The minimum total lease payments over the next five years are $428,162 plus Goods and Services Tax. Annual payments due in each of the next five years are as follows:

2026	131,973
2027	131,692
2028	131,598
2029	32,899
Thereafter	-
	$428,162

17. RELATED PARTY TRANSACTIONS

During the year ended December 31, 2025, members of the Foundation's Board of Directors received payments for per diems and expenses of $98,315 (2024 - $88,965). All related party transactions are measured at the exchange amount, which is the consideration established and agreed to by the parties.

18. CONTINGENT LIABILITY

In 2023 and 2024 the Federal Court of Appeal (the "Court") granted CN leave to appeal the calculation of the MRE for the 2021-22 and 2022-23 crop years. In 2024 CPKC was granted intervenor status in the CN case and requested that any relief granted to CN be made available to CPKC. WGRF was the recipient of $6,852,328 from CN and $6,019,841 from CPKC for exceeding MRE for the 2021-22 and 2022-23 crop years. On December 31, 2025 the Court dismissed both appeals. In March 2026 CN filed an appeal with the Supreme Court of Canada. WGRF may be required to return some or all the excess MRE received depending on whether the Supreme Court decides to hear the case. The possible outcome of an appeal cannot be reasonably estimated at this time. Accordingly, no provision for liability has been made in the financial statements as at December 31, 2024 or December 31, 2025.

19. SUBSEQUENT EVENT

Effective January 1, 2026 the Board of Directors has approved the transfer of the respective assets and liabilities of the Wheat Fund and the Barley Fund to the Research Fund and has approved the wind-up of the Wheat Fund and the Barley Fund as of that date.

20. FINANCIAL INSTRUMENTS

The Foundation's recognized financial assets and liabilities consist of cash and cash equivalents, receivables, accrued interest receivable, investment in debt instruments, equity securities and pooled funds, and accounts payable and accrued liabilities. The carrying values of these items approximate their fair values except for investments in debt instruments, the carrying value of which is their amortized cost given the Foundation's policy to hold such investments to maturity.

Interest rate risk
Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of a change in market interest rates.

The Foundation is exposed to interest rate risk on its fixed interest rate financial instruments. This risk is mitigated by the Foundation's policy to hold fixed interest rate financial instruments to maturity.

Credit risk
Credit risk is the risk of loss arising from the failure of a counter party to fully honour its financial obligation to the Foundation, including its inability or unwillingness to return funds on deposit or pay borrowed principal and interest when they come due. Credit risk can also lead to losses when issuers or debtors are downgraded by credit rating agencies, which can lead to a fall in the market value of the debtor's obligation.

Financial instruments that potentially subject the Foundation to credit risk are cash and cash equivalents, receivables, accrued interest receivable, and investments in debt instruments.

The credit risk with respect to cash and cash equivalents is mitigated by being held in a large financial institution with a credit rating of AA and is limited to the carrying amounts reported on the statement of financial position.

The Foundation assesses, on a continuous basis, receivables on the basis of amounts it is virtually certain to receive. There is no provision for doubtful accounts at December 31, 2025 (2024 - $nil).

The Foundation's most significant credit risk exposure arises from its investment in interest bearing investments, including guaranteed investment certificates, municipal and provincial bonds, and corporate bonds and notes. The Foundation has policies to manage credit risk by setting limits to credit exposure through quality and quantity guidelines set out in the Foundation's Investment Policy.

20. FINANCIAL INSTRUMENTS *(continued)*

Market price risk
Market price risk is the risk that the fair value of a financial instrument will change due to market prices (other than those arising from interest rate risk or currency risk). Changes in market price expose the Foundation to losses.

The Foundation is exposed to market price risk on its equity investments and pooled funds. The Foundation mitigates this risk by investing in equities that meet investment criteria set out in the Foundation's investment policy. A professional investment advisor invests and manages the investment portfolio in accordance with the Foundation's investment policy. Investments in equity securities and pooled funds are recorded at fair value. Fair value estimates are made at a specific point in time and may not be reflective of future value. The Foundation does not hold financial instruments for trading purposes.

Currency Risk
Currency risk is the risk to the Foundation's earnings that arise from fluctuations of foreign exchange rates and the degree of volatility of these rates.

The Foundation is exposed to foreign currency exchange risk on cash and cash equivalents, equity securities, and pooled funds held in foreign currencies.

The Foundation does not use derivative instruments to reduce its exposure to foreign currency risk as the investments are held for the long-term. Any residual currency risk is considered acceptable in the long-term without implementing a hedging strategy.

21. COMPARATIVE FIGURES

Some of the comparative figures have been reclassified to conform to the current year's presentation.

WGRF
Advancing Agriculture through Research

Western Grains Research Foundation
306 – 111 Research Drive
Saskatoon, SK S7N 3R2
Phone: 306-975-0060

wgrf.ca